

SEWELL & RIGGS  
A PROFESSIONAL CORPORATION  
333 CLAY AVENUE  
SUITE 800  
HOUSTON, TEXAS 77002-4086

2-093A002

TELEPHONE (713) 652-8700  
TELECOPIER (713) 652-8808  
TELEX 77-5564

March 20, 1992

17762  
RECORDATION NO. \_\_\_\_\_ FILED 1425

MAR 26 1992 -2 22 PM

Secretary  
Interstate Commerce Commission  
Washington, D.C. 20423

INTERSTATE COMMERCE COMMISSION

RE: Recordation Request for Security Agreement and Chattel Mortgage; BOB E. ATNIP, JAMES C. GRAVES and WARNER W. ABEL, JR.; Sewell & Riggs File No. 56715/926

Dear Secretary:

I have enclosed an original and one copy of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a Security Agreement and Chattel Mortgage primary document, dated February 27, 1991.

The names and addresses of the parties to the documents are as follows:

Debtor: Bob E. Atnip, James C. Graves and Warner W. Abel, Jr.  
10077 Grogan's Mill Road, Suite 450  
The Woodlands, Texas 77380

Secured Party: BANK ONE, TEXAS, N.A.  
910 Travis  
Houston, Texas 77002

A description of the equipment covered by the document follows:

Thirty-Three (33) non-pressurized 23,500 gallon, general purpose Railroad Tank cars described as follows:

GLNX	23100	GLNX	23101
GLNX	23156	GLNX	23157
GLNX	23158	GLNX	23162
GLNX	23165	GLNX	23172
GLNX	23173	GLNX	23177
GLNX	23178	GLNX	23179
GLNX	23180	GLNX	23181
GLNX	23182	GLNX	23183
GLNX	23194	GLNX	23202
GLNX	23208	GLNX	23222

RECEIVED  
MAR 26 1992  
MOTOR OPERATING UNIT

(description of equipment continued)

GLNX 23223  
GLNX 23226  
GLNX 23228  
GLNX 23230  
GLNX 23233  
GLNX 23235  
GLNX 23243

GLNX 23225  
GLNX 23227  
GLNX 23229  
GLNX 23231  
GLNX 23234  
GLNX 23237

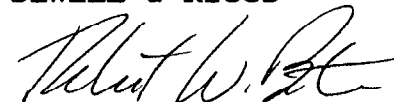
A fee of \$10.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to Robert W. Bramlette, Sewell & Riggs, 333 Clay Ave., Suite 800, Houston, Texas 77002.

A short summary of the document to appear in the index follows:

Security Agreement and Chattel Mortgage between Bob E. Atnip, James C. Graves and Warner W. Abel, Jr., 10077 Grogan's Mill Road, Suite 450, The Woodlands, Texas 77380 ("Debtor") and BANK ONE, TEXAS, N.A., 910 Travis, Houston, Texas 77002 ("Secured Party") dated February 27, 1991, and covering thirty-three (33) non-pressurized 23,500 gallon, general purpose Railroad Tank Cars.

Very Truly yours,

SEWELL & RIGGS

  
Robert W. Bramlette

H:\USERS\SEDWARDS\GRAVES.23  
03/19/92

cc: Mr. Warner W. Abel, Jr.  
10077 Grogan's Mill Road, Suite 450  
The Woodlands, Texas 77380

Ms. Teresa Bosco  
BANK ONE, TEXAS, N.A.  
910 Travis, Second Floor  
Houston, Texas 77002

**Interstate Commerce Commission**  
Washington, D.C. 20423

4/2/92

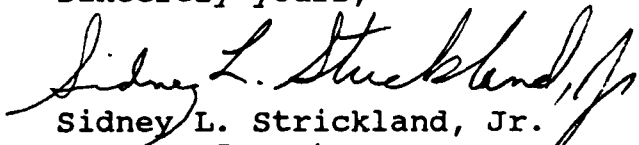
OFFICE OF THE SECRETARY

Robert W. Bramlette  
Sewell & Riggs  
333 Clay Ave Suite 800  
Houston, Texas 77002

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 3/26/92 at 2:30pm, and assigned recordation number(s). 17762 & 11535-B

Sincerely yours,

  
Sidney L. Strickland, Jr.  
Secretary

17762  
RECORDING NO. \_\_\_\_\_ FILED IN NO. \_\_\_\_\_  
MAR 26 1992 -2 30 PM  
INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT AND CHATTEL MORTGAGE

BOB E. ATNIP, JAMES C. GRAVES and WARNER W. ABEL, JR.  
hereinafter called "Debtor", and BANK ONE, TEXAS, N.A., 910  
Travis, Houston, Texas, 77002, hereinafter called "Secured  
Party", agree as follows:

SECTION I. CREATION OF SECURITY INTEREST

Debtor hereby grants to Secured Party a security interest  
in and a Chattel Mortgage on the Collateral described in  
Section II of this Security Agreement to secure performance and  
payment of (i) that certain promissory note ("Note") dated  
February 27, 1991, in the original principal amount of  
\$900,000 executed by the Debtor payable to the order of Secured  
Party, bearing interest and being payable in the manner  
provided therein; (ii) all renewals and extensions of the  
Note.

SECTION II. COLLATERAL

The Collateral of this Security Agreement is thirty-three  
(33) railroad tank cars described more fully in Schedule "A"  
which is attached hereto and made a part hereof and all  
additions and acessions thereto, and proceeds thereof. The  
inclusion of proceeds in this Security Agreement does not  
authorize Debtor to sell, dispose of or otherwise use the  
Collateral in any manner not specifically authorized by this  
agreement. So long as no Event of Default has occurred and is

continuing, nothing herein shall prohibit (i) the Debtor from performing the Management Agreement ("Management Agreement") effective as of the 22nd day of February, 1991, between Debtor and GLNX Corporation ("GLNX") or (ii) Debtor or GLNX from performing its obligations under existing lease agreements or from executing and performing additional lease agreements covering the Collateral (all such lease agreements being referred to herein as "Lease Agreements").

### SECTION III. PAYMENT OF OBLIGATIONS OF DEBTOR

(1) Debtor shall pay to Secured Party any sum or sums due or which may become due pursuant to the Note or any other promissory note or notes now or hereafter executed by Debtor to evidence Debtor's indebtedness to Secured Party, in accordance with the terms of such Note or other promissory note or notes and the terms of this Security Agreement.

(2) Debtor shall pay to Secured Party on demand all expenses and expenditures, including reasonable attorneys' fees and other legal expenses incurred or paid by Secured Party in exercising or protecting its interests, rights and remedies under this Security Agreement, plus interest thereon at the maximum rate permitted by law with respect to Debtor. It is the intention of the Debtor and the Secured Party to contract in strict compliance with the usury laws of the State of Texas from time to time in effect. In furtherance thereof, the

Debtor and the Secured Party stipulate and agree that none of the terms and provisions contained in this Agreement or the Note shall ever be construed to create a contract to pay interest for the use, forbearance or detention of money at a rate in excess of the maximum interest rate permitted to be charged by the laws of the State of Texas from time to time in effect. In the event the Secured Party shall collect monies which are deemed to constitute interest which would otherwise increase the effective rate on the Note to a rate in excess of that permitted to be charged by the laws of the State of Texas then in effect, all such sums deemed to constitute interest in excess of the legal rate shall be immediately returned to the Debtor upon such determination.

(3) Debtor shall pay immediately, without notice, the entire unpaid indebtedness of Debtor to Secured Party, whether created or incurred pursuant to this Security Agreement or otherwise, upon Debtor's default under Section V of this Security Agreement.

#### SECTION IV. DEBTOR'S REPRESENTATIONS, WARRANTIES AND AGREEMENT

Debtor represents, warrants and agrees that: (1) All information supplied and statements made by Debtor in any financial, credit or accounting statement or application for credit prior to, contemporaneously with or subsequent to the execution of this Security Agreement are and shall be true, correct, complete, valid and genuine.

(2) No Financing Statement, Security Agreement or Chattel Mortgage covering the Collateral or its proceeds is on file in any public office; except for the security interest granted in this Security Agreement, there is no lien, security interest or encumbrance in or on the Collateral; and Debtor is the owner of the Collateral.

(3) The chief place of business of Debtor is the address shown at the beginning of this agreement. Debtor will immediately notify Secured Party in writing of any change in Debtor's chief place of business.

(4) If certificates of title are issued or outstanding or become issued and outstanding with respect to any of the Collateral, Debtor will cause the interest of Secured Party to be properly noted thereon.

(5) The Collateral will be used primarily for business use, unless Secured Party consents in writing to another use.

(6) The Collateral will not be misused or abused, wasted or allowed to deteriorate, except for the ordinary wear and tear of its intended primary use, and will not be used in violation of any statute or ordinance.

(7) Debtor will have and maintain or cause GLNX to maintain insurance at all times with respect to all Collateral against risks of fire, theft and such other risks as GLNX shall maintain on its railcar fleet, but, in any event those covered

by the policies described in the Management Agreement. Such insurance policies shall contain such terms, be in a form, for a period and be written by companies satisfactory to Secured Party. Such insurance policies shall also contain a standard mortgagee's endorsement providing for payment of any loss to Secured Party. All policies of insurance shall provide for ten days written minimum cancellation notice to Secured Party. Debtor shall furnish Secured Party with certificates or other evidence satisfactory to Secured Party of compliance with the foregoing insurance provisions. Secured Party may act as attorney for Debtor in obtaining, adjusting, settling and cancelling such insurance and endorsing any drafts drawn by insurers of the Collateral. In the event of a casualty loss in the absence of an Event of Default, Debtor shall have the right to utilize the proceeds of insurance to either (i) repair the car or cars to which the loss relates subject to such disbursement restrictions as Secured Party may reasonably impose or (ii) apply the proceeds to the Note. Should the loss occur while an Event of Default exists, the proceeds shall be applied to the Note. Secured Party may apply any proceeds of such insurance which may be received by it in payment on account of the obligations secured hereby, whether due or not.

(8) Except as provided in Section II hereof, the Collateral will not be sold, transferred or disposed of by



Debtor or be subjected to any unpaid charge, including rent and taxes, or to any subsequent interest of a third person created or suffered by Debtor voluntarily or involuntarily provided that such limitation shall not apply to ad valorem taxes or mechanics liens for repairs to the Collateral so long as such amounts are not yet due and payable or are being diligently contested by appropriate proceedings, unless Secured Party consents in advance in writing to such sale, transfer, disposition, charge, or subsequent interest.

(9) Debtor will sign and execute alone or with Secured Party any Financing Statement or other document or procure any document, and pay all connected costs, necessary to protect the security interests, rights and remedies created by, provided in or emanating from this Security Agreement.

(10) Debtor will, at its own expense, do, make, procure, execute and deliver all acts, things, writing and assurances as Secured Party may at any time request to protect, assure or enforce its interests, rights and remedies created by, provided in or emanating from this Security Agreement.

(11) Debtor will not lend, rent, lease or otherwise dispose of the Collateral or any interest therein except as authorized in this Security Agreement or in writing by Secured Party, and Debtor shall keep the Collateral, including the proceeds from any disposition thereof, free from unpaid

charges, including taxes, and from liens, encumbrances, and security interests other than that of Secured Party or otherwise permitted hereunder.

(12) Debtor agrees that there shall be plainly, distinctly, permanently and conspicuously stenciled upon each side of each unit of the Collateral, the following words, in letters not less than one inch in height:

THIS CAR IS SUBJECT TO A SECURITY AGREEMENT AND  
CHATTEL MORTGAGE RECORDED UNDER THE UNIFORM  
COMMERCIAL CODE OF THE STATE OF TEXAS AND UNDER  
SECTION 20C OF THE INTERSTATE COMMERCE ACT

#### SECTION V. EVENTS OF DEFAULT

Debtor shall be in default under this Security Agreement upon the happening of any of the following events or conditions (herein called an "Event of Default"):

(1) Debtor's failure to pay when due any indebtedness secured by this Security Agreement, either principal or interest.

(2) Default by Debtor in the punctual performance of any of the obligations, covenants, terms or provisions contained or referred to in this Security Agreement or in any note secured hereby.

(3) Any warranty, representation, or statement contained in this Security Agreement or made or furnished to Secured Party by or on behalf of Debtor in connection with this

Security Agreement or to induce Secured Party to make a loan to Debtor proves to have been false in any respect when made or furnished or becomes false while any indebtedness secured hereby is outstanding.

(4) Loss, theft, substantial damage, destruction, sale or encumbrance of or to any of the Collateral and failure to apply the proceeds of insurance in accordance with the terms hereof, or the making of any levy, seizure or attachment thereof or thereon.

(5) Debtor's insolvency or business failure; the appointment of a receiver of all or any part of the property of Debtor; an assignment for the benefit of creditors of Debtor; the calling of a meeting of creditors of Debtor; or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Debtor.

(6) Any statement of the financial condition of Debtor to Secured Party submitted to Secured Party by Debtor proves to be false in any material respect.

#### SECTION VI. SECURED PARTY'S RIGHTS AND REMEDIES

##### A. Rights exclusive of Default.

(1) This Security Agreement, Secured Party's rights hereunder or the indebtedness hereby secured may be assigned from time to time, and in any such case the Assignee shall be entitled to all of the rights, privileges and remedies granted

in this Security Agreement to Secured Party, and Debtor will assert no claims or defenses he may have against Secured Party against the Assignee, except those granted in this Security Agreement.

(2) Secured Party may enter upon (i) Debtor's premises at any reasonable time to inspect Debtor's books and records pertaining to the Collateral, and (ii) Debtor shall assist Secured Party in making any such inspection.

(3) Secured Party may execute, sign, endorse, transfer or deliver in the name of Debtor notes, checks, drafts or other instruments for the payment of money and receipts, certificates of origin, applications for certificates of title or any other documents necessary to evidence, perfect or realize upon the security interest and obligations created by this Security Agreement.

(4) At its option, Secured Party may discharge taxes, liens or security interests or other encumbrances at any time levied or placed on the Collateral, may pay for insurance on the Collateral and may pay for the maintenance and preservation of the Collateral. Debtor agrees to reimburse Secured Party on demand for any payment made, or expense incurred by Secured Party pursuant to the foregoing authorization, plus interest thereon at the maximum rate permitted by law with respect to Debtor.

B. Rights in Event of Default.

(1) Upon the occurrence of an Event of Default, and at any time thereafter, Secured Party may declare all obligations secured hereby immediately due and payable and shall have the rights and remedies of a Secured Party under the Uniform Commercial Code of Texas, including without limitation thereto, the right to sell, lease or otherwise dispose of any or all of the Collateral and the right to take possession of the Collateral, and for that purpose Secured Party may enter upon any premises on which the Collateral or any part thereof may be situated and remove the Collateral and make it available to Secured Party at a place to be designated by Secured Party which is reasonably convenient to both parties. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party will send Debtor reasonable notice of the time and place of any public sale thereof or of the time after which any private sale or other disposition thereof is to be made. The requirement of sending reasonable notice shall be met if such notice is mailed, postage prepaid, to Debtor at the address designated at the beginning of this Security Agreement at least fifteen (15) days before the time of the sale or disposition. Expenses of retaking, holding, preparing for sale, selling or the like shall include Secured Party's

reasonable attorneys' fees and legal expenses, plus interest thereon at the maximum rate permitted by law with respect to Debtor. Debtor shall remain liable for any deficiency.

(2) Secured Party may remedy any default and may waive any default without waiving the default remedied or without waiving any other prior or subsequent default.

(3) The remedies of Secured Party hereunder are cumulative, and the exercise of any one or more of the remedies provided for herein shall not be construed as a waiver of any of the other remedies of Secured Party.

#### SECTION VII. ADDITIONAL AGREEMENTS

(1) "Secured Party" and "Debtor" as used in this instrument include the heirs, executors or administrators, successors, representatives, receivers, trustees and assigns of those parties.

(2) The section headings appearing in this instrument have been inserted for convenience only and shall be given no substantive meaning or significance whatever in construing the terms and provisions of this instrument. Terms used in this instrument which are defined in the Texas Uniform Commercial Code are used with the meanings as therein defined.

(3) The law governing this secured transaction shall be that of the State of Texas in force at the date of this instrument.

EXECUTED this the 27 day of February, 1991.

Debtor:

Bob E. Atnip  
BOB E. ATNIP

James C. Graves  
JAMES C. GRAVES

Warner W. Abel, Jr.  
WARNER W. ABEL, JR.

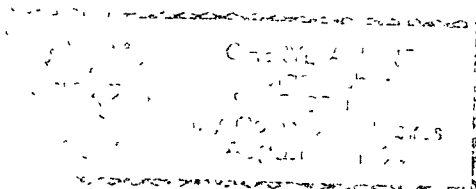
Secured Party:

BANK ONE, TEXAS, N.A.

By Teresa Bosco  
Name: TERESA BOSCO  
Title: LOAN OFFICER

THE STATE OF TEXAS       §  
                                     §  
COUNTY OF HARRIS       §

This instrument was acknowledged before me on the 27<sup>th</sup> day of Feb., 1991, by BOB E. ATNIP.



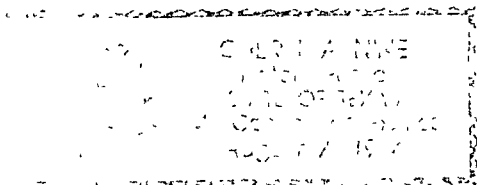
Cheryl A. Nine  
Notary Public in and for  
the State of Texas

Cheryl A. Nine  
Printed Name of Notary

My Commission Expires: 8/7/94

THE STATE OF TEXAS       §  
                                  §  
COUNTY OF HARRIS       §

This instrument was acknowledged before me on the 27<sup>th</sup> day  
of Feb., 1991, by JAMES C. GRAVES.



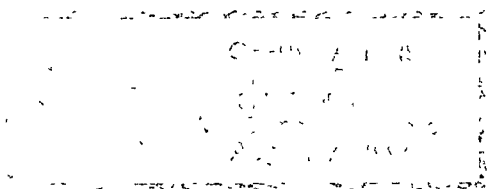
Cheryl A. Nine  
Notary Public in and for  
the State of Texas

Cheryl A. Nine  
Printed Name of Notary

My Commission Expires: 8/7/94

THE STATE OF TEXAS       §  
                                  §  
COUNTY OF HARRIS       §

This instrument was acknowledged before me on the 27<sup>th</sup> day  
of Feb., 1991, by WARNER W. ABEL, JR.



Cheryl A. Nine  
Notary Public in and for  
the State of Texas

Cheryl A. Nine  
Printed Name of Notary

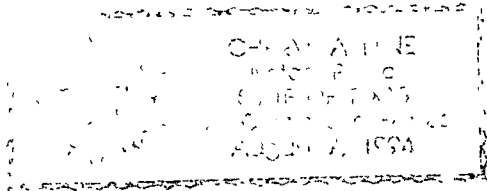
My Commission Expires: 8/7/94



THE STATE OF TEXAS §  
§  
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared Theresa Bosco, of BANK ONE, TEXAS, N.A., known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the free act and deed of the said BANK ONE, TEXAS, N.A., a national banking association, and that he executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of such association, for the purposes and consideration therein expressed, in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 27<sup>th</sup> day of February, 1991.



Cheryl A. Nine  
Notary Public in and for  
the State of Texas

Cheryl A. Nine  
Printed Name of Notary

My Commission Expires: 8/7/94

RWB192E:(A):RWB:kwj  
02/26/91

SCHEDULE A

Thirty-Three (33) non-pressurized 23,500 gallon, general purpose Railroad Tank Cars described as follows:

GLNX	23100
GLNX	23156
GLNX	23158
GLNX	23165
GLNX	23173
GLNX	23178
GLNX	23180
GLNX	23182
GLNX	23194
GLNX	23208
GLNX	23223
GLNX	23226
GLNX	23228
GLNX	23230
GLNX	23233
GLNX	23235
GLNX	23243

GLNX	23101
GLNX	23157
GLNX	23162
GLNX	23172
GLNX	23177
GLNX	23179
GLNX	23181
GLNX	23183
GLNX	23202
GLNX	23222
GLNX	23225
GLNX	23227
GLNX	23229
GLNX	23231
GLNX	23234
GLNX	23237

**CERTIFICATE**

I, Sarah MacDonald-Smith, have compared the copy of this document with the original, and have found the copy to be complete and identical in all respects to the original document.



Sarah MacDonald-Smith

Notary Public in and for  
The State of Texas

Sarah MacDonald-Smith

Printed Name of Notary

My Commission Expires: 8-15-92